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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

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October 12, 2006

Steve T. Campbell, Executive Director
Peter and Paul Community Services, Inc.
1025 Park Avenue,
St. Louis, MO 63104-3720

RE: Fiscal Monitoring Report of Peter and Paul Community Services, Inc.
(HOPWA), Contract #HD-06-02 (Project # 2007-DHH4)

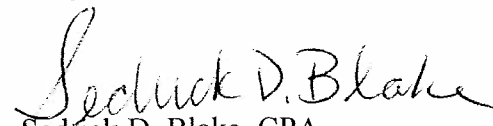
Dear Mr. Campbell:

Enclosed is a report of our fiscal monitoring review of Peter and Paul Community Services, Inc. for Housing Opportunities for Persons with AIDS (HOPWA) for the period January 1, 2005 through December 31, 2005.

The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of Peter and Paul Community Services, Inc. Our fieldwork was completed on September 18, 2006.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and through an agreement with the Department of Health and Hospitals (DOHH) to provide fiscal monitoring to all grant sub-recipients. If you have any questions, please contact Charles Schroeder at 314-589-6089

Respectfully,


Sedrick D. Blake, CPA
Internal Audit Executive

cc: Honorable Darlene Green, Comptroller
Dr. William Kincaid, Director, City of St. Louis Department of Health
Melba Moore, Health Commissioner, City of St. Louis Department of Health



CITY OF ST. LOUIS

DEPARTMENT OF HEALTH (DOH)

*PETER AND PAUL COMMUNITY SERVICES, INC.
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)
CONTRACT #HD-06-02*

FISCAL MONITORING REVIEW

JANUARY 1, 2005 THROUGH DECEMBER 31, 2005

PROJECT #2007-DOH4

DATE ISSUED: OCTOBER 12, 2006

*Prepared by:
The Internal Audit Section*



OFFICE OF THE COMPTROLLER

Honorable Darlene Green, Comptroller

**CITY OF ST. LOUIS
DEPARTMENT OF HEALTH AND HOSPITALS
PETER AND PAUL COMMUNITY SERVICES, INC.
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)
CONTRACT #HD-06-02
FISCAL MONITORING REVIEW
JANUARY 1, 2005 THROUGH DECEMBER 31, 2005**

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**CITY OF ST. LOUIS
DEPARTMENT OF HEALTH AND HOSPITALS
PETER AND PAUL COMMUNITY SERVICES, INC.
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)
CONTRACT #HD-06-02
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INTRODUCTION

Background

Contract Name: Peter and Paul Community Services, Inc.

Contract Number(s): #HD-06-02

Contract Period (s): January 1, 2005 through December 31, 2005

Contract Amount(s): \$96,900 (#HD-06-02)

The Housing Opportunities for Persons with AIDS (HOPWA) contract provides funds from the Health Resources and Services Administration (HRSA) through the Department of Health and Hospitals.

Purpose

The purpose of this fiscal monitoring review was to determine Peter and Paul Community Services, Inc. compliance with federal, state, and local Department of Health and Hospitals (DOHH) requirements for the period January 1, 2005 through December 31, 2005 for the contract #HD-06-02 and make recommendations for improvements.

Scope and Methodology

We made inquiries regarding Peter and Paul Community Services, Inc.'s internal controls relating to the grant administered by the Department of Health and Hospitals (DOHH), tested evidence supporting the reports the Agency submitted to DOHH and performed other procedures considered necessary. Our fieldwork was completed on September 18, 2006.

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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

Peter and Paul Community Services, Inc did not comply with federal, state regulations, and local DOHH requirements.

Status of Prior Observations

The Agency's most recent fiscal monitoring report dated April 14, 2003 identified no observations.

A-133 Status

Peter and Paul Community Services, Inc. is not required to prepare A-133 audit report for the fiscal year ended June 30, 2005. Agency claimed federal expenditures for the fiscal year ending June 30, 2005 were below \$500,000 threshold.

Summary of Current Observation

We made recommendation for the following observation, which if implemented, could assist Peter and Paul Community Services, Inc. in complying with federal, state regulations and local DOHH requirements:

- Opportunity to ensure that reimbursements are for the actual billing or invoice amount due and reimbursement requests are submitted for expenses approved in the contract agreement.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS, AND
MANAGEMENT'S RESPONSES**

**OPPORTUNITY TO ENSURE THAT REIMBURSEMENTS ARE FOR THE ACTUAL BILLING OR
INVOICE AMOUNT DUE AND REIMBURSEMENT REQUESTS ARE SUBMITTED FOR EXPENSES
APPROVED IN THE CONTRACT AGREEMENT.**

The contract agreement clearly defined expenses that are allowable for reimbursement. Good contract management practice also requires that agency request reimbursement for actual expenses amount due as stated on the invoice or billing statements.

The agency requested reimbursement for gas service billing paid to Laclede Gas Company in the amount of \$143.99 and \$374.66 in the month of June 2005. The amount due on each billing for the month was \$27.70 and \$205.85. Payment made by the agency to the Gas Company was \$251.45. The agency was over reimbursed in the amount of \$285.10.

The Agency also in September 2005 requested and was reimbursed the sum of \$72.13 for cellular phone services provided by Cingular Wireless. The contract agreement as approved does not provide for reimbursement of Cellular phone expenses. However, the total reimbursements to the Agency were within the approved contract limit.

Management appeared not to be aware that cellular phone expenses were not included in the approved contract agreement and the management inadvertently submitted reimbursement in excess of the actual billing amount.

Failure to adhere to contract agreement requirements may be considered as non-compliance on the part of the agency.

Recommendation

We recommend the agency contact the Department of Health and Hospital management to discuss and resolve the issue raised by the auditor in the report.

Management Response

Regarding the billing for Laclede Gas Company, we inadvertently overlook a prior credit that was applied on each bill. Regarding the Cingular Wireless billings, we were not aware that cellular phone expenses could not be included in overall telephone expenses. We will contact the Department of Health and Hospital management to resolve these issues.